

**ANDRHEA PANGANIBAN PEREZ, DANILO PANGANIBAN PEREZ, JR.
AND AALIYAH KAE PANGANIBAN PEREZ ALL MINORS,
REPRESENTED HEREIN BY THEIR MOTHER ELENITA PANGANIBAN,
PLAINTIFFS-APPELLANTS,...**

Ponente: BUESER, J.

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BUESER, J.:

This resolves the appeal filed by plaintiffs Andrhea Panganiban Perez, Danilo Panganiban, Jr. and Aaliyah Kae Panganiban Perez, by then all minors, represented by their mother Elenita Panganiban, against Belen G. Butay, Luis M. Butay, Jr. and Lydia M. Butay for Annulment of Title, Cancellation of Sale, Reconveyance of Property and Damages, assailing the Decision dated September 25, 2012 rendered by the Regional Trial Court of Manila, Branch 173, in Civil Case No. 07-116861.

The antecedents, as borne out by the record, are:

Plaintiffs Andrhea Panganiban Perez, Danilo Panganiban Perez, Jr. and Aaliyah Kae Panganiban Perez, who were minors at the institution of the instant case, were compulsory heirs of Danilo Paglalunan Perez.

Sometime in 1999, Elenita Panganiban, mother of said minors, and Danilo P. Perez lived as common-law husband and wife, that is, without the benefit of marriage, though both had no legal impediment to marry. The couple resided, then, in Paranaque, Metro Manila.[1]

Two years thereafter, or on May 26, 1990, Elenita gave birth to their first child who was christened Andrhea Panganiban Perez.[2] Then, on May 12, 1994, Elenita gave birth, this time, to a boy who was named Danilo Panganiban Perez, Jr. after his father.[3]

In 1999, the couple decided to migrate to the United States to seek greener pasture and to give a better life for their growing family. Fortunately, the couple were able to secure visas allowing them to move to the United States.[4]

In the first year in the United States, the couple stayed in the house of Danilo's parents. After almost a year, the couple and their family decided to separate from Danilo's parents.[5]

Sometime in 2002, Danilo started to get sick. He was taken care of by his wife and children.[6]

On November 7, 2003, the couple, while in the United States, was blessed with another child. This time Elenita gave birth to another girl who was named Aaliyah Panganiban Perez.[7]

On June 9, 2005, Danilo, due to illness, passed away. He was survived by his common law wife Elenita Panganiban and their three (3) minor children namely: Andrhea, Danilo, Jr. and Aaliyah, all surnamed Perez.[8]

Two years after his death, Elenita, in order to fulfill Danilo's last wish, that is, to manage the real property he left in Paco, Manila, for the support of the future needs and education of their children, went back to the

Philippines.[9]

Upon arrival in the Philippines, Elenita discovered that the real property, which, incidentally, had TCT No. 1192345 in the name of her common law husband Danilo Perez, had already been sold by the latter's parents to defendants-appellees Butay. Upon receiving such information, she, then, proceeded to the Office of the City Assessors as well as to the Register of Deeds of Manila for verification.[10]

Upon inquiry, she discovered that the title of said property already been transferred to the appellees herein, namely Belen Ganac Butay, Luis M. Butay, Jr. and Benita Lydia M. Butay.[11]

She likewise uncovered that Dolores S. Lopena executed an Affidavit of Loss stating that Danilo Perez lost the Owner's Duplicate Copy of TCT No. 119235, which was then in the latter's name.[12] She likewise unearthed that spouses Jaime G. Perez and Dolores S. Lopena was also able to secure an Special Power of Attorney purportedly from Danilo Perez and signed by him, authorizing them to file a petition for the issuance of the owner's duplicate copy of TCT No. 119235 as well as to file the said Affidavit of Loss with the Registry of Deeds of Manila.[13]

On April 19, 2006, the Regional Trial Court of Manila, Branch 14, directed the Register of Deeds to issue the corresponding new owner's duplicate copy of TCT No. 119235, which was annotated on February 10, 2006.[14] On March 24, 2006, an Extrajudicial Settlement of the Estate of the Late Danilo P. Perez with Waiver of Rights was filed before the Register of Deeds of Manila purportedly executed by the parents of Danilo and his siblings, this notwithstanding the fact that Danilo's parents and his siblings, except Francisco Perez, Jr. were, at the time of the alleged execution of said document, all in the United States. Worse, Danilo's illegitimate children were not included as heirs and, thus, deprived of their hereditary rights.[15]

On April 19, 2006, by virtue of the said Extrajudicial Settlement, TCT No. 119235 registered in the name of Danilo was cancelled.[16] Thereafter, a new TCT No. 272800 in the name of spouses Francisco A. Perez and Remegia P. Perez was issued.[17]

On May 31, 2006, spouses Francisco A. Perez and Remegia P. Perez purportedly executed a Deed of Absolute Sale in favour of Belen Ganac Butay, Luis M. Butay and Benita Lydia M. Butay. However, the said Deed was signed for and in behalf of the spouses vendors by their daughter Catalina P. Sanggalang, who was not authorized by a special power of attorney executed by her parents.[18]

Worst, the signatures of vendees Belen Ganac Butay and Luis M. Butay, Jr. which appeared in the said Deed was purportedly forged inasmuch as at the time of the alleged execution they were not physically present in the Philippines but in the United States.[19]

On March 1, 2007, plaintiffs-appellants, through their mother Elenita Panganiban, filed a complaint for the following: (a) the cancellation of the sale from Spouses Francisco and Remegia Perez to defendants-appellees insofar as it deprived appellants' lawful share; (b) annulment of TCT No. 274456 in the name of defendants-appellees; (c) reconveyance of one-half of the disputed property to appellants; and (d) moral as well as exemplary damages and attorney's fees.

Only defendant Lydia M. Butay obliged to file her answer. In her Answer, she made specific denials of almost all allegations in the Complaint. She put up the special and affirmative defense that she and her co-defendants were purchaser in good faith. She likewise demanded moral as well as exemplary damages and attorney's fees.[20]

On September 25, 2012, the trial court, after trial on the merits, dismissed plaintiffs' Complaint with prejudice.

Dissatisfied with the outcome, plaintiffs appealed.

The present appeal is being prosecuted based on the following assigned errors, thus:

- “a. In holding that plaintiffs-appellants failed to establish their filiations, hence, they are not considered to be the real parties-in-interest to file the present case;
- b. In not holding the procurement and eventual obtainment of DOLORES S. LOPENA, the issuance of second owner's copy of Transfer Certificate of Title No. 119235 registered in the name of DANILO through the falsified Special Power of Attorney and Affidavit of Loss, NULL and VOID;
- c. In not holding the execution of the Extrajudicial Settlement of the Estate of the Late Danilo P. Perez with Waiver of Rights without the knowledge, participation and conformity of plaintiffs-appellants fraudulent and illegal;
- d. In not holding the transfer of the subject property through the execution of the Deed of Absolute Sale fraudulent and illegal, hence NULL AND VOID;
- e. In not holding that defendants-appellees are buyer in bad faith over the subject property legally owned by plaintiffs-appellants; and
- f. In not holding that plaintiffs-appellants are entitled to the relief sought including damages.”[21]

In adjudging the case in favour of the defendants-appellees, the trial court opined that plaintiffs-appellants failed to establish by documentary proofs their filiation to their deceased father Danilo as required by law and the rules.

The trial court zeroed in on its observation that plaintiffs did not present in evidence the original of their birth certificates as required by the rules on evidence.

Further, the trial court, to buttress its position, declared, thus:

“Plaintiffs’ birth certificates are not prima facie evidence of their filiation to their father as they did not contain a categorical acknowledgment that deceased Danilo P. Perez is their father and that absent recognition or acknowledgment, illegitimate children are not entitled to inherit from the putative parent. And, in order that the Birth Certificates could then be utilized to prove voluntary acknowledgment of filiation or paternity (particularly that of the Birth Certificate Danilo Panganiban Perez, Jr.), the certificates should be required to be signed or sworn to by the father. The failure of such requirement rendered the same useless as being an authoritative document of recognition. xxx

xxx there must be a clear statement in the document (birth certificate) that the parent recognizes the child as his or her own. xxx”

We do not agree.

To establish filiation of an illegitimate child, the Family Code, under Articles 172 in relation to 175, provides, thus:

“Art. 172. The filiation of legitimate children is established by any of the following:

- (1) The record of birth appearing in the civil register or final judgment; or
- (2) An admission of legitimate filiation in a public document or a private handwritten instrument and signed by the parent concerned.

In the absence of the foregoing evidence, the legitimate filiation shall be proved by:

- (1) The open and continuous possession of the status of a legitimate child; or
- (2) Any other means allowed by the Rules of Court and special laws.

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Art. 175. Illegitimate children may establish their illegitimate filiation in the same way and on the same evidence as legitimate children.”

From the above provision, filiation of an illegitimate child, as in legitimate one, are proved primarily by the record of birth appearing in the civil register or final judgment as reflected in the birth certificate of the child.

In the case at bar, the Court observed that the birth certificates of appellants Andrhea, Danilo, Jr. and Aaliyah Kae, all surnamed Perez, as shown in Exhibits A, B and C[22] clearly points to the deceased Danilo Paglalunan Perez, the common law husband of Elenita S. Panganiban, as their father. Unmistakably, appellants have proved their filiation of paternity to the deceased Danilo P. Perez with sufficient and convincing evidence.

The trial court further opined that, in order that the birth certificates could be utilized to prove voluntary acknowledgment of filiation or paternity, the certificates should be required to be signed or sworn to by the father and that there must be a clear statement in the birth certificate that the parent recognizes the child as his own. Absent such requirement renders the birth certificate useless as being an authoritative document of recognition.

We further disagree.

The trial court’s disquisition is based on the premise that the only evidence presented in court to prove filiation is the birth certificate. However, the Court recognizes that, in this case, even if the birth certificate was not presented in evidence, plaintiffs-appellants were, at any rate, able to duly and sufficiently prove their filiation to the deceased Danilo P. Perez as their father by their open and continuous possession of their status as illegitimate children of the latter. Since appellants’ birth, the deceased Danilo P. Perez consistently acknowledged appellants as his children. He lived with appellants. He cared for them. He sustained them. He supported them. He even took appellants to the United States to seek greener pasture and have a better life. And when it was time for Danilo, Sr. to join his Creator, he advised Elenita to go back to the Philippines after his death with the instruction to manage the real property he left in Paco, Manila, such that his children (appellants) would have something to sustain them in their studies and future necessities. All these slices of life patently demonstrates that the deceased Danilo, Sr., during his lifetime, recognized appellants as his illegitimate children. As a matter of fact, there is no iota of evidence that the deceased Danilo, Sr. did not recognize appellants as his children. Thus, the opinion of the trial court that the deceased Danilo, Sr. did not recognize appellants as his children is more imagined than real.

We cannot likewise sustain the trial court’s observation that plaintiffs-appellants did not present in evidence the original of appellants’ birth certificates as required by the rules on evidence. In fact, the trial court insists that the birth certificates of appellants which were presented in evidence in court were merely photocopies of their original. In effect, the trial court concluded that the birth certificates of plaintiffs as presented in evidence cannot be admitted in court as evidence.

Again, We are not persuaded.

In the present case, the record show that the original copies of appellants’ certificates of live birth have, in fact, been presented as evidence in court. This fact was probably overlooked by the trial court. The expediente of the case reveals that during the preliminary conference before the RTC, Branch 39, where the instant case was initially raffled, plaintiffs’ counsel brought and presented all the original copy of the documents, including the original copy of the certificates of live birth of herein appellants, specifically Reg. No. 90-4138, re: Certificate of Live Birth of Andrhea P. Perez; Reg. No. 94-7455, re: Certificate of Live Birth of Danilo P. Perez, Jr.; and Local Reg. District & Cert. No. 1200337039942, re: Certificate of Live Birth of Aaliyah Kae P. Perez. Such was the case because the usual practice among almost all courts in the NCJR has been: the original copy of the document

was presented for purposes of comparison with the photocopy of the document in the presence of the opposing counsel such that, after comparison and without the objection of the opposing counsel, only the photocopy was marked as an exhibit. In case however where the original copy was not presented but only a photocopy, the latter was marked but with the annotation that it was only a provisional marking, which means that the original copy has not been presented. The notation may only be removed or deleted by the Clerk of Court upon presentation of the original copy in the presence of the opposing counsel.

In the present case, the Clerk of Court marked the three certificates of live birth as Exhibits “A”, “B”, and “C” noting the dates of marking and affixing his signature without notation that it was merely a provisional marking, which means that the original copy has been presented and defendants-appellees’ counsel has seen the original of the documents.

While procedural rules serve a vital function in our judicial system inasmuch as they promote the orderly resolution of cases, it, nonetheless, is likewise true that procedural rules are mere tools designed to facilitate the attainment of justice. Their strict and rigid application should be relaxed when they hinder rather than promote substantial justice. Public policy dictates that court cases should, as much as possible, be resolved on the merits not on mere technicalities. Substantive justice trumps procedural rules.[23] Even the Rules of Court reflect this principle. The power to suspend or even disregard rules can be so pervasive and compelling as to alter even that which this Court itself has already declared to be final.[24] The emerging trend in the rulings of this Court is to afford every party litigant the amplest opportunity for the proper and just determination of his cause, free from the constraints of technicalities. Time and again, this Court has consistently held that rules must not be applied rigidly so as not to override substantial justice.[25]

Indeed, it is within the court's sound discretion to relax procedural rules in order to fully adjudicate the merits of a case. Even the High Court will not interfere with the exercise of that discretion absent grave abuse or palpable error. Section 6, Rule 1 of the 1997 Rules of Civil Procedure even mandates a liberal construction of the rules to promote their objectives of securing a just, speedy, and inexpensive disposition of every action and proceeding.[26]

In the present case, the trial court insisted that the original of the certificates of live birth should have been the ones presented in evidence and, thus, marked as exhibits. It lost sight of a long and time-honored practice in courts which has allowed the presentation of the original copies of the documents for purposes of comparison with their photocopies in the presence of the opposing counsel such that, where the photocopies were the true and faithful reproduction of the original documents, only the photocopies were marked as exhibits. The obvious intent of this method is to dispense with marking the original copy of the document as well as presenting it in court as exhibit so that its holder may be able to use it for other purposes and in other equally important undertakings. The adoption by the trial court of this innovative procedure of presenting evidence is, to the mind of this Court, consistent with the liberal construction of the rules of procedure that pervades throughout the Rules of Court.

Since appellants are compulsory heirs of the deceased Danilo P. Perez, Sr. with the latter’s parents being his only ascendants to the exclusion of his siblings, it follows that appellants and the deceased Danilo’s parents have become co-owners of the estate of Danilo upon his death. Thus, in order to have a valid and binding settlement of his estate, appellants must and should participate in the adjudication and division of his estate.

Coming now to the more substantive issues, the Court believes that the subsequent sale of the subject real estate property to herein appellees was, indeed, shrouded with irregularity. Undoubtedly, the falsified Special Power of Attorney paved the way for the transfer of title of the subject parcel of land in the name of Danilo P. Perez to herein appellees.

That the Special Power of Attorney was falsified and paved the way for the subsequent transfer of the title of the subject property to appellees, the MeTC of Manila, Branch 28, in its Consolidated Judgment, declared:

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“The document in issue in Criminal Case No. 4444154-CR is the Special Power of Attorney (SPA) dated and notarized on August 26, 2005, which the private complainant's common law husband, Danilo P. Perez (Danilo), allegedly executed in favor of both accused Dolores Lopena (Dolores) and Jaime Lopena (Jaime).

Adduced from the pieces of evidence of this case, testimonial and documentary evidence, the Court finds that the signature of the private complainant's common law husband Danilo in the Special Power of Attorney dated August 26, 2005 was falsified, as it would have been impossible for a dead person to execute said document which execution took place after the death of the latter on June 9, 2005.

Further, the rule is that if a person had in his possession a falsified document and he made use of it (uttered it) taking advantage of it and profiting thereby, the presumption is that he is the material author of the falsification. In the instant case, contrary to the claim of accused Dolores that it was one Catalina Sanggalang who gave to her the SPA, the Court finds that said questioned document came to her, as it was executed in her favor. If her claim were true, she could have easily presented said Catalina Sanggalang to corroborate her testimony. Thus, the presumption that evidence willfully suppressed would be adverse if produced stands against accused Dolores. Likewise, it could be inferred that she profited from said document. Because after the preparation and execution thereof, she subsequently prepared and executed the Affidavit of Loss, a four-page Petition for reconstitution of title, Extra-Judicial Settlement of the Estate of the late Danilo P. Perez With Waiver of Rights and the Deed of Sale to be able to sell the property of Danilo subject of the SPA to her neighbor-friends.

Moreover, records show that accused Dolores denied having prior knowledge of the death of Danilo, at the time of the alleged execution of the subject SPA by the latter on August 26, 2005. However, during the cross examination, she admitted that on August 26, 2005, she was informed by Catalina that in fact, prior to said date Danilo has died sometime June of 2005. The relevant portion of her testimony on cross examination is hereunder reproduced.

CROSS EXAMINATION ON ACCUSED DOLORES LOPENA

Q: On August 26, 2005, do you have any information where was Danilo P. Perez, Madam Witness?

A: Mrs. Sanggalang informed me that Danilo Perez has already died, Your Honor.

Q: When?

A: She told that it was on the month of June, Your Honor.

Q: He died prior to August 26, 2005, did I get you right?

A: Yes, Your Honor.

Records further show that on the continuation of her cross examination, she did not maintain her previous testimony and claims that she had no previous knowledge on August 26, 2005 of the fact of the death of Danilo. The pertinent portion of her testimony during the continuation of cross examination has the following significance:

CONTINUATION OF THE CROSS EXAMINATION ON ACCUSED DOLORES LOPENA

Q: I am going to confront the witness with the TSN dated January 19, 2011, page 16 and the court asked you a question, Ms. Witness and I quote; “On August 26, 2005, do you have any information where was Danilo Perez, Madam Witness?” and you answered; “Mrs. Sanggalang informed me that Danilo Perez has already died”.

A: Hindi po, hindi ko po kasi maintindihan yung tanong ni attorney kasi nakatingin po ako sa kanya eh bigla

po siyang nagsabi na sori, Your Honor, incontinue na lang natin ito next hearing dahil masakit ang aking operasyon. Kaya hindi ko po naintindihan yung tanong”

Q: And it seems, that you don't also understand my question today?

A: Hindi ko po kasi alam na patay na si Danilo xxx

Q: Naiintindihan mo ba yung kanyang huling tanong na noong tinanong ka noong August 26, 2005, may alam ka ba kung saan si Danilo Perez noong mga panahon na iyon at sumagot ka sinabihan ka ni Mrs. Sanggalang na patay na si Danilo Perez

A: Hindi po yun ang sinabi niya sa akin, pinatawag niya po ako mga August 30 na po yun at ang sabi niya na andito na yung SPA at notaryado na xxx

Q: Ms. Witness, when was the first time you know that Danilo P. Perez is already dead?

A: About December.

Q: December of what year?

A: (Year) 2005

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Q: You earlier stated that you first know that Danilo P. Perez is already dead sometime December of 2005, is that correct?

A: Opo

The apparent inconsistency in the testimonies of accused Dolores reflect poorly on her candor and thus impair her credibility. The case of *People vs. Salas* explains “xxx the totality of inconsistencies, xxx on essential points in the declaration of the alleged eyewitnesses, enfeebles rather strengthens, the probative of said declaration xxx. These flaws raise doubts as to the accuracy of their testimonies which in conscience cannot be accepted.”[27]

With regards to the falsification of the Extra-Judicial Settlement of the Estate of the Danilo P. Perez with Waiver of Rights, the said court, in the same decision, opined:

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“On the other hand, the document in issue in Criminal Case No. 4444156-CR is the Extra-Judicial Settlement of the Estate of the late Danilo P. Perez With Waiver of Rights dated and notarized on March 24, 2006, it appearing therein that it contains the signature of accused Francisco P. Perez (Francisco), but the latter denied to have signed thereon. The subject document appears to have been executed in favor of accused Francisco and his parents and siblings, as it was done for purposes of dividing among themselves as heirs a property left by Danilo P. Perez, to the damage and prejudice of the private complainant.

In the instant case, the Court finds that said document came from the accused, as it clearly appears as broad daylight that he was a signatory thereof and profited therefrom, hence, he is the material author of the falsification of the others signatures allegedly belonged to his parents, Francisco A. Perez and Remigia P. Perez and siblings, Emerita P. Morales and Evelyn Babakhanifur. Records show that he claims that said subject document was only given to him by Catalina Sanggalang, which in turn, he gave to his father for the latter's signature. However, if his claim were true, he should have presented her to corroborate his testimony, but he did not. This being the case, he was deemed to have possessed the same. Allegations of facts remain as allegations unless proven by competent and relevant evidence. It is basic in the rule of evidence that bare allegations unsubstantiated by evidence, are not equivalent to proof.

Records of this case further show that the alleged other signatories of the subject Extra-Judicial Settlement of the Estate of the Late Danilo P. Perez With Waiver of Rights could not have been in the Philippines, but were all in the United States at the time of its execution on March 24, 2006, a fact that has been established by own testimony of the accused during the cross examination. The pertinent portion of his testimony during the cross examination has the following significance:

CROSS EXAMINATION ON ACCUSED FRANCISCO P. PEREZ, JR.

Q: Mr. Witness, this document is notarize (sic) on March 24, 2006, are your parents here in the Philippines when the same was notarized?

A: Nasa Amerika po sila noon.

Q: Nasa Amerika, as well your siblings, they are also in the United States?

A: Yes, Ma'am.

Q: So meaning to say, your parents and your siblings have no opportunity to be present at the notary public?

A: Hindi po, nasa Amerika po sila.

Corroborating the foregoing testimony of accused Francisco, is the testimony of Dolores Lopena during her cross examination. The pertinent portion of her testimony during the cross examination is hereunder reproduced:

CONTINUATION OF CROSS EXAMINATION ON ACCUSED DOLORES LOPENA

Q: M[r]. Witness, in the Extra-jUdicial Settlement of the Estate of the late Danilo P. Perez with Waiver of Rights, which was previously marked as my Exhibit J, you signed as one of the witnesses? Please look at Exhibit J-2, page 2 of the Extra-Judicial Settlement.

A: Yes, ma'am.

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Q: When you signed as a witness together with Catalina P. Sanggalang, did you sign altogether with the parties, namely: Francisco Perez, Remigia Perez, Emerita Perez-Morales, and Evelyn Perez-Babakhanifur. Di[d] you sign altogether?

A: No, ma'am.

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Q: Did you not bother to ask your kumpare, Francisco A. Perez, where is he, at that time, when you signed that document[?]

A: He was at the State. Basta sinabi na lang dun sa kapatid n'ya na, kay Mrs. Catalina Sanggalang, Si Dolly na ang papirmahin mong isang[g] witness.

Q: His spouse, the spouse of Francisco, Remigia Perez, is she also in the United States?

A: Opo.

Q: How about her daughter, Emerita Perez, is she also in the United States[?]

A: Opo, yun po ang alam ko.

Q: And how about Evelyn Babakhanifur, the daughter of Spouses Perez, is she also in the United States?

A: Opo.

Thus, from this testimonial evidence, it is very evident that indeed the signatures of accused Francisco's parents and siblings in the subject Extra-Judicial Settlement of the Estate of the Late Danilo P. Perez were falsified, as it would have been impossible for them to be in the country on the subject date of the execution. As documentary evidence, on the other hand, the prosecution presented the travel records with the Bureau of Immigration of Francisco A. Perez, Remigia P. Perez, Emerita P. Morales, and Evelyn P. Babakhanifur marked as Exhibits "K" "L" "M" and "N", showing that said persons were not in the Philippines on March 24, 2006.

As to the accused Dolores Lopena, records show that she admitted in her testimony on cross examination, that she signed the subject document as one of its witnesses. The pertinent portion of her testimony during the cross examination is hereunder reproduced.

CROSS EXAMINATION ON ACCUSED DOLORES LOPENA

Q: Ms. Witness, who made this Extra Judicial Settlement of Estate of the Late Danilo P. Perez[?]

A: I don't know mam.

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Q: One of the witness here is by the name of Dolores Lopena, is this your signature?

A: Yes, mam.

xxx

Q: In the first page of the extra judicial settlement, you admitted your signature and in the last page of the extra judicial settlement you signed as a witness, am I correct?

A: Yes, mam.

Q: Before you signed, Ms. Witness, did you bother what is about, this extra judicial settlement?

A: I read the document and they explained it to me the same and I also understood the same that is why when I was requested to sign, I signed it.

xxx

Q: Ms. Witness, in the Extra-Judicial Settlement of the Estate of the late Danilo P. Perez with Waiver of Rights, which was previously marked as my Exhibit "J", you signed as one of the witnesses? Please look at Exhibit "J-2", page 2 of the Extra-Judicial Settlement.

A: Yes ma'am.

Q: You signed as one of the witnesses with the certain Catalina P. Sanggalang.

A: Opo.

Q: And, is this your signature?

A: Yes, ma'am.

Gleaned from her testimony, it clearly appears that she deliberately participated in falsifying the subject document, as she voluntarily signed as a witness in the first and second pages thereof, despite the presence of high irregularities in its execution. Records show that when she signed the Extra-Judicial Settlement of the Estate of the late Danilo P. Perez With Waiver of Rights, the persons who allegedly prepared and executed said document including her co-accused Francisco P. Perez, Jr. were not present and had not signed along with her. Under such circumstances, she should have been vigilant to put her on guard not to sign the subject document and make an investigation as to the authenticity and/or veracity of the signatures appearing therein, which surprisingly she never did. Thus, it could be presumed that indeed she knowingly and voluntarily participated to said irregularities, that attended in the preparation and execution of the subject document, to the damage and prejudice of the private complainant.[28]

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In its Consolidated Judgment, the trial court continued:

"As to the charge of Falsification of Public Document in Criminal Case No. 4444155-CR against the accused Francisco P. Perez, Jr., Article 171 (4) of the Revised Penal Code in relation to Article 172 (1) provides:

Art. 171. Falsification by public officer, employee, or notary or ecclesiastical minister. - The penalty of prision mayor and a fine not exceeding, or notary who, taking advantage of his official position, shall falsify a document by committing any of the following acts.

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4. Making untruthful statements in a narration of facts;

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On the other hand,

Art. 172. Falsification by private individuals and use of falsified documents. The penalty of prision correccional in its medium and maximum periods, and a fine of not more than 5,000 pesos shall be imposed upon:

Any private individual who shall commit any of the falsifications enumerated in the next preceding article in

any public or official or letter of exchange or any other, kind of commercial document; and

xxx”

It is that in the fourth kind of falsification, the following must concur: (a) that the offender makes in a document statements in a narration of facts; (b) that he has a legal obligation to disclose the truth of the facts narrated by him; (c) that the facts narrated by the offender are absolutely false; and (d) the perversion of truth in the narration of facts was made with the wrongful intent of injuring a third person.

After a careful evaluation of the pieces of evidence, both testimonial and documentary evidence, adduced by the prosecution, this Court finds that all the elements of falsification which the accused is charged with are present in the instant case.

There is no dispute that accused executed and signed an Extra-Judicial Settlement of the Estate Of The Late Danilo P. Perez With Waiver Of Rights marked as Exhibit “J” and “3”, which was notarized on March 24, 2006, by Atty. Ricardo C. Neri. Further, during the presentation of the prosecution evidence on February 22, 2010, accused's counsel, Atty. Raymund Caraos, admitted the existence of said document. In the subject document accused Francisco P. Perez, Jr., along with other declared the following statements, to quote:

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WHEREAS, the above-named parties are the sole and legal heirs of the late DANILO P. PEREZ, who died on June 9, 2005 in San Diego, California, being the parents, brother and sisters of the decedent;

WHEREAS, the decedent died without leaving any last will and testament and likewise he died without leaving any debts or obligations whatsoever;

xxx

The prosecution claims that such declarations of accused Francisco P. Perez, Jr., is a falsity on the ground that contrary to the statements, Danilo P. Perez is survived by three (3) children with the private complainant.

In the instant case, this Court finds that the third requisite which states that “that the facts narrated by the offender are absolutely false” has been established by the testimony of the accused, as he testified during the cross examination. The pertinent portion of his testimony on cross examination is hereby reproduced:

CROSS EXAMINATION ON ACCUSED FRANCISCO P. PEREZ, JR.

Q: Mr. Witness, this Danilo P. Perez, your sibling, how many surviving children does he have, if any?

A: I think, three (3) children, ma'm.

Q: Can you please state for the record what are the names of these children?

A: Kasi yung dalawa (2) lang an[g] pinanganak dito... yung isa di ko na alam.

Q: Okay, the names of his children... Palayaw na lang, you just give the nicknames.

A: The son was named Jay-R and the other one is Rhea. The other one, the youngest was born in America, I could no longer remember the name.

Gleaned from the foregoing declaration, it is very evident that indeed accused Francisco P. Perez, Jr. committed the crime being leveled against him. It clearly appears in his testimony that in the execution of the Extra-Judicial Settlement Of The Estate Of The late Danilo P. Perez With Waiver Of rights, he had the intent of perverting the truth in a narration of facts, for failure to disclose the fact despite his knowledge, that his deceased brother Danilo P. Perez has left three (3) children with the private complainant to the damage and prejudice of the latter.

Thus, in this case, the Court is fully convinced that the prosecution has succeeded in proving the guilt of the accused of the crime charged beyond a cavil of doubt.”[29]

Consistent with the ruling of the trial court in the criminal case, we have no reason to deviate or depart from its disquisition that the pertinent Special Power of Attorney as well as the Extra-Judicial Settlement of the Estate of Danilo P. Perez were falsified.

Indeed, the fact that Dolores S. Lopena was able to secure a Special Power of Attorney allegedly signed by Danilo P. Perez, more than two (2) months after his death, clearly shows that the said document was falsified.

Likewise, the fact that the parents of Danilo P. Perez and his siblings were in the United States and, thus, not physically present in the Philippines at the time and date of the Extra-Judicial Settlement of the Estate of Danilo P. Perez with Waiver of Rights was executed and notarized on March 24, 2006, confirms that the said document was falsified.

With regards to the claim of appellees that they were buyer in good faith, this Court likewise disagrees.

As the undisputed facts show, the parcel of land is a titled property which appellees acquired via an Absolute Deed of Sale purportedly executed by spouses Francisco A. Perez and Remegia P. Perez through their daughter Catalina P. Sangalang. In this transaction, a significant consideration is the good faith of the purchasers who, in the usual course, can rely on the presented certificate of title, subject only to the requirements of good faith.[30]

An innocent purchaser for value is defined as one who buys the property of another, without notice that some other person has a right to, or interest in, such property and pays a full and fair price for the same, at the time of such purchase, or before he has notice of the claim or interest of some other persons in the property. He is one who buys the property with the belief that the person from whom he receives the thing was the owner and could convey title to the property. A purchaser cannot close his eyes to facts which should put a reasonable man on his guard and still claim that he acted in good faith.[31] The law requires, on the part of the buyer, lack of notice of a defect in the title of the seller, and payment in full of the fair price at the time of the sale or prior to having notice of any defect in the seller's title.[32]

Every registered owner and every subsequent purchaser for value in good faith holds the title to the property free from all encumbrances except those noted in the certificate. Hence, a purchaser is not required to explore further than what the Torrens title on its face indicates in its inquiry for hidden defects or inchoate rights that may defeat his right to the property. Every person dealing with registered land may safely rely on the correctness of the certificate of title issued, and the law does not oblige him to go behind the certificate to determine the condition of the property.[33]

In the present case, defendants-appellees' contention that they bought the disputed parcel of land in good faith is indeed farfetched and incredible. First, the Deed of Absolute was signed for and in behalf of spouses Francisco A. Perez and Remegia P. Perez by their daughter Catalina P. Sangalang. Nonetheless, it appears however that there was no annotation in TCT No. 272800 pertaining to a Special Power of Attorney having been executed by said spouses in favour of Catalina.[34] Such fact, indeed, demonstrates that said spouses did not execute one and, thus, Catalina was never authorized to sell said parcel of land. This fact alone should have put petitioners to notice that the title of the seller was, indeed, defective.

Further, it was also shown that Lydia Butay, one of the purchasers (appellees in this case), was the principal of Dolores Lopena, the latter being the former's agent. In the conference before the Barangay, it was indeed revealed that Dolores was the one who facilitated the sale of the disputed property to the appellees. Lydia categorically admitted that she was part owner of the disputed property, its title was lost and that Dolores facilitated the transfer of said property. The pertinent portion of the conference are as follows:

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“Chairman Par opened the meeting with questions to answers, giving everyone the opportunity to air their sides of the story. The first person given the chance to talk was Ms. Elenita Panganiban Perez. She stated the following:

1. She is the live-in partner of the late Danilo Perez for seventeen (17) years. She bore him with three (3) children, namely: Andrea, 16 yrs old, Danilo, Jr. age 12 yrs. Old and Alliyah, 3 yrs. Old. The first few years of their life they lived with her in-laws, until they finally decided to live on their own.

Ms. Elenita Panganiban Perez pointed out, that her children are all minors and she's just fighting for the rights of her children. She said that the SPA (Special Power of Attorney) presented by her father-in-law, Mr. Francisco Perez was used to manipulate the selling of the lot owned by her late husband, Danilo Perez.

Ms. Elenita Panganiban Perez. Paano Nagkaroon ng SPA (Special Power of Attorney) si Tatay (Mr. Francisco Perez), samantalang si Danilo ay namatay noong June 09, 2005, at ang SPA ay inexecute noong August 26, 2005. Paano ito napirmahan ng isang patay na tao?

Ms. Lydia Butay. Ang problema ay hindi dapat nakatuon sa akin. Ito ay pampamilya lang. Dapat ang problema ay sila ang magayos. In good faith ang pagbili ko ng lupa.

Chairman Romulo Par. Legitimate naman ang bilihan ng lote gayundin ang mga papeles. Alam kong malinis ito. Sino ang naglakad ng mga papeles mo?

Ms. Lydia Butay. Si Dolly po.

Chairman Romulo Par. Sige Dolly ilahad mo kung paano ang mga pangyayari?

Mrs. Dolores Lopena. Sing Mang Francisco (Perez) ay dumating noong October, 2005. Sinabi niya na nawawala ang titulo ng lupa sa loob ng kotse sa Amerika. Tinanong niya ako kung paano ang dapat gawin dito. Sinabi ko na para magkaroon ng bagong titulo, kailangan magkaroon ng reconstruction ng titulo. So si Mang Francisco (Perez) ay nagbigay ng “GO” signal na gawain ang istorya para mare-construct ang titulo. Sa pagkakaalam ko ang titulo ay binigay lang kay Danilo para maka-produce ng extrajudicial si Mang Francisco (Perez) para makaalis si Danilo papuntang States at para makabalik din dito sa Pilipinas.

Ms. Lydia Butay. Di parang illegal ang selling ng lupa?

Chairman Romulo Par. Hindi po illegal ang buying ng lupa. Kaya lang may magkukuwasyon sa bilihan ng lupa, ok ang reconstruction ng titulo kung walang naghahabol, kaso nga may naghahabol.

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Chairman Romulo Par. Dolly alam ba ni Lydia na nawala ang titulo?

Mrs. Dolores Lopena. Opo, alam niya na inaayos ko ang titulo.

Ms. LydiaButay. Opo, alam ko na inaayos niya ang titulo, kasi nakita ko ang titulo na nakapangalan kay Francisco Perez.”[35] (Emphasis and underscoring supplied.)

Moreover, there was a condition or restriction of the sale or transfer of the disputed property annotated in the title. The condition or restriction states “ xxx that except by hereditary succession, it shall not be subdivided, sold or in any manner transferred or encumbered without first obtaining the written consent of the Chairman of the Land Registration Administration and only to persons who are qualified to purchase said land under Commonwealth Act No. 539, Republic Act No. 1162 as amended and/or Republic Act No. 1400 as amended or to government banking institution or agencies. xxx”.

Despite the above annotation pertinent to the condition or restriction of the sale, defendants-appellees apparently

ignored the same. Worst, they heavily relied upon their agent Dolores Lopena who falsely prepared the Cancellation of Condition which, in effect, cancelled the above memorandum or annotation in TCT No. 272800 and purportedly released spouses Francisco and Remegia Perez from compliance therewith, and submitted the same to the Registry of Deeds of Manila, to make it appear that the title of the disputed property was clean.

Again, these are indicia that indeed defendants-appellees have prior knowledge of the defect of the title of the disputed property. Their purchase of the same was, thus, in bad faith.

From the foregoing, it can be gleaned that defendants-appellants have knowledge of the defect in the title of the seller appertaining to the disputed property.

Pertinent to appellants' share in the estate of Danilo, the law entitles them to one-half (½) share of the parcel of land in dispute. When Danilo Perez, Sr. died on June 9, 2005, his illegitimate children namely, Andrhea, Danilo, Jr., Aaliyah Kae, all surnamed Perez, became, thus, entitled to one half of the estate of their decedent pursuant to Article 991 of the Civil Code, which provides:

“Art. 991. If the legitimate ascendants are left, the illegitimate children shall divide the inheritance with them, taking one-half of the estate, whatever be the number of the ascendants or of the illegitimate children.”

Since the real estate property left by Danilo, Sr. consists an area of 128 square meters, one half, or 64 square meters, of said property should belong to plaintiffs-appellants as compulsory heirs.

WHEREFORE, premises considered, the Decision dated September 25, 2012 rendered by the Regional Trial Court of Manila, Branch 73, is hereby REVERSED and SET ASIDE and, in lieu thereof, another judgement is rendered as follows:

1. The subject Deed of Absolute Sale dated May 31, 2006 is hereby CANCELLED insofar as it deprived plaintiffs-appellants of their share as compulsory heirs;
2. Transfer Certificate of Title No. 274456 in the name of defendants-appellees, being null and void, is CANCELLED; and
3. Defendants-Appellees are directed to RECONVEY to plaintiffs-appellants one (1) half, or 64 square meters of the subject parcel of land with TCT No. 272800.

SO ORDERED.

Zalameda[*] (Acting Chairperson) and Sempio Diy,[**] JJ., concur.

[*] Vice Justice De Guia-Salvador per Office Order No. 184-14-ABR dated May 5, 2014.

[**] Acting Junior Member per Office Order No. 187-14-ABR dated May 6, 2014.

[1] Record, p. 2.

[2] Id.

[3] Id.

[4] Id.

[5] Id.

[6] Id.

- [7] Id.
- [8] Id.
- [9] Record, p. 3.
- [10] Id.
- [11] Id.
- [12] Id, p. 4, 17.
- [13] Id., pp. 3-4, 16.
- [14] Id., pp. 4-5, 22-23, 24-26.
- [15] Record, pp. 5, 27-28.
- [16] Id., pp. 5, 24-26.
- [17] Id., pp. 6, 34-36.
- [18] Id., pp. 6, 37-38.
- [19] Id., p. 6.
- [20] Record, pp. 52-53.
- [21] Rollo, p. 50.
- [22] Record, pp. 366-368.
- [23] Aneco Realty Devt. Corp. v. Landex Devt Corp., G.R. No. 165952, July 28, 2008.
- [24] Barnes v. Padilla, G.R. No. 160753, June 28, 2005, 461 SCRA 533, cited in Aneco Realty Development Corp. v. Landex Development Corp., supra.
- [25] Barnes v. Padilla, G.R. No. 160753, supra: cited in Aneco Realty Development Corp. v. Landex Development Corp., G.R. No. 165952, July 28, 2008.
- [26] Aneco Realty Development Corp. v. Landex Development Corp., supra.
- [27] Rollo, pp. 111-113.
- [28] Rollo, pp. 113-116.
- [29] Rollo, pp. 113-118.
- [30] see Republic v. Orfinada, Sr., G.R. No. 141145, November 12, 2004, citing Legarda v. Court of Appeals, G.R. No. 94457, December 16, 1997, 280 SCRA 642, 679.
- [31] Yared v. Tiongco, G.R. No. 161360, October 19, 2011: citing Sandoval v. Court of Appeals, G.R. No. 106657, August 1, 1996, 260 SCRA 283, 296-297.
- [32] De Leon v. Ong, G.R. No. 170405, February 2, 2010, 611 SCRA 381.
- [33] Cabuhat v. Court of Appeals, G.R. No. 122425, September 28, 2001, 366 SCRA 176.
- [34] see TSN, February 11, 2010, pp. 22-26; also TSN, July 22, 2010, pp. 6-12.

[35] Rollo, pp. 400-401; p. 402.

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